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Deadline Set For Kennedy Resignation

White House Aide Says He Must Quit Now Or Be Fired

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WASHINGTON — President Reagan will fire U.S. Attorney William H. Kennedy of San Diego "within a matter of days" if Kennedy continues his refusal to resign, a high-ranking White House official said yesterday.

"His silence will not be tolerated past the weekend," the official said of Kennedy. The attorney was not available for comment, but has been quoted by an associate as saying he will refuse the Justice Department request to resign because he publicly confirmed the identity of a CIA source.

Attorney General William French Smith decided Wednesday that Kennedy, 51, should be removed from office for having publicly confirmed a San Diego Union story that revealed the CIA blocked Kennedy's prosecution of the intelligence source, Miguel Nassar Haro. Nassar, former chief of Mexico's national police, the Directorate of Federal Security, has been linked to an \$8 million Southern California stolen-car case.

As Kennedy has continued in his refusal to resign, support for the embattled prosecutor has grown in San Diego where Mayor Wilson and Police Chief Bill Kolender have contacted administration officials on his behalf.

The White House official, who asked not to be identified, said: "I can't see the administration backing off and not supporting the attorney general. Obviously, if we're going to move, we should move before the ball gets too big."

"That's too bad," Kolender said yesterday when told of the White House official's comments, which he described as reflecting "a pretty narrow viewpoint."

Kolender said if Kennedy "made a mistake, termination is way too harsh. All he did was tell the truth."

The White House official said a New York Times report yesterday about Smith's recommendation that Kennedy be fired was engineered by the administration. He said the White House wanted "to send a signal to Mr.

Kennedy that his option time was running out."

The official suggested Kennedy should "agree today to resign within, say, 30 days."

If he has not resigned by tomorrow, the official said, the President is likely to act on Smith's request to fire the prosecutor. "We probably would do it today, if it were not a weekend," the official said.

The President is spending the weekend at Camp David, and the Kennedy matter is not considered grave enough to bring to his attention before tomorrow, the official said.

If Mr. Reagan is forced to take action to remove Kennedy, he would convey the order in a letter. Kennedy also would be notified by telephone immediately, the official said.

Under the law, an attorney general can request the resignation of a U.S. attorney but only a president can fire one.

The White House official, echoing opinions expressed in recent days by Justice Department officials familiar with the case, said Kennedy, appointed to his post by Mr. Reagan, made a "mistake" in publicly confirming the story on the blocked prosecution.

"He put the U.S. government's stamp of authenticity on that story, and that is unforgivable," the official said. "The damage was done when he acted publicly."

The CIA said last week that when Nassar

left his Mexican government position in January, the agency no longer objected to his prosecution. One CIA official said he expected Nassar would be indicted in the case, in which cars were stolen from San Diego and Orange counties and smuggled into Mexico.

After the Union's story was published, associate attorney general Rudolph Giuliani telephoned Kennedy and ordered him to come to Washington last Monday to explain his actions to Justice Department officials.

Kennedy met Monday afternoon with Giuliani and deputy attorney general Edward C. Schmults. On Tuesday the officials conferred with the White House and collected other relevant information, sources said.

The matter was presented to Smith on Wednesday morning. One source said the attorney general spoke with presidential counselor Edwin Meese before deciding that Kennedy should resign.

Meese, who lived in La Mesa before joining the administration, cleared the way for Kennedy's appointment to the federal prosecutor's job. However, Meese apparently has not attempted to help him in the current controversy.

Giuliani telephoned Kennedy on Wednesday night to tell him of Smith's decision.